

Message Text

CONFIDENTIAL

PAGE 01 LIMA 04949 192226Z

67

ACTION ARA-10

INFO OCT-01 SS-14 ISO-00 EB-03 NSC-07 NSCE-00 CIAE-00

INR-10 NSAE-00 RSC-01 L-02 SP-01 CEA-01 STR-01 FEA-02

COME-00 INT-01 OMB-01 TRSE-00 PRS-01 DRC-01 /057 W

----- 083623

P 192151Z JUN 74

FM AMEMBASSY LIMA

TO SECSTATE WASHDC PRIORITY 633

C O N F I D E N T I A L LIMA 4949

LIMDIS

EO 11652 N/A

TAGS: EMIN, EIND, EFIN, PE

SUBJECT: SOUTHERN PERU COPPER CORP. (SPCC) CAUJONE NEGOTIATIONS

REFS: STATE 129846, LIMA 4843

1. SUMMARY: WISE WAS SOMEWHAT CHASTENED UPON RECEIPT INFORMATION FROM HAMRICK APPARENTLY REALIZING BELATEDLY THAT IT WAS UNLIKELY ASARCO WOULD SIWH WASH DIRTY LINEN FOR DEPARTMENT AND EMBASSY TO SEE. HE ALSO MUCH RELIEVED THAT MOST SERIOUS HURDLE ON WIREBAR PROBLEM WITH EUROPEANS RESOLVED DURING LENGTHY NEGOTIATIONS WITH MINEROPERU ON JUNE 17-18 AND THAT EUROPEANS SHOULD NOW BE ABLE TO EACH ACCORD WITHIN THE NEXT WEEK. HE LOOKS FORWARD SEEING ARCHIBALD FOR FURTHER CLARIFICATION BUT IS STILL QUITE CONCERNED THAT NEW YORK PRINCIPALS MAY PULL RUG OUT FROM UNDER HIM SHOULD ANYTHING MORE GO AWRY. END SUMMARY.

2. WISE TOLD EMBASSY OFFICER AFTER RECEIPT REFTEL MESSAGE THAT HE HAD HOPED INTERVENTION THROUGH EMBASSY AND DEPARTMENT MIGHT HAVE ENABLED ASARCO MANAGEMENT TO GIVE HIM BROADER AUTHORITY TO OVERCOME IMPASSE ABOUT EUROPEAN COMPANIES" WIREBAR PROBLEMS, AMONG OTHERS.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LIMA 04949 192226Z

HOWEVER, DURING MARATHON NEGOTIATING SESSIONS NIGHT OF

JUNE 17 AND MORNING JUNE 18, MINEROPERU FINALLY ACCEPTED WISE'S SUGGESTION THAT THEY PROCESS CATHODES AS WELL AS WIREBARD AND THUS EUROPEAN SUPPLIERS WILL NOW BE ABLE RECEIVE CATHODES THEY DESIRE. HE THEEFORE BELIEVES THAT KEY FOREIGN COMPANY INVOLVED, U.K. CONCERN BILLITON, CAN BE BROUGHT AROUND IN FAIRLY SHORT ORDER AND THAT OTHER EUROPEANS WILL THEN FOLLOW SUIT. NO PROBLEMS REMAIN TO BE NEGOTIATED ON COPPER PRODUCTION OF THE FOUR SPCC CO-OWNERS SHARE OF CUAJONE PRODUCTION.

3. FOR DEPARTMENT'S INFORMATION, FOLLOWING IS STATUS OF PRESENT NEGOTIATIONS AS FURNISHED BY WISE TO EMBASSY IN REGARD TO DISTRIBUTION OF CUAJONE COPPER PRODUCTION (FIGURES ON ANNUAL BASIS):

FIRM	AMOUNT	STATUS
I-NON U.S.	JAPANESE	30,000 M.T. NEGOTIATIONS
		NEARLY FINISHED
		(ONE OR TWO DAY MORE)
	U.K.-IMI/BICC	30,000 M.T. FINISHED
	DUTCH-	
	BILLITON	20,000 M.TM NEGOTIATIONS
		BEGIN JUNE 20
	PENARROYA	10,000 M.T. NEGOTIATIONS
		BEGIN NEXT WEEK
	ENFIELD/DELTA	10,000 M.T. NEGOTIATIONS
		BEGIN NEXT WEEK

II-U.S.

PARTNERS	ASARCO	36,000 M.T.	ALL FINISHED
	CERRO	16,000 M.T.	
	PD	11,000 M.T.	
	NEWMONT	7,000 M.T.	
	TOTAL	170,000 M.T.	

GIVEN PRESENT STATE OF PLAY, WISE HOPES THAT REMAINING NEGOTIATIONS CAN BE COMPLETED BY JULY 1.

4. WISE REALIZED THAT HE MAY HAVE PLACED EMBASSY AND DEPARTMENT IN AWKWARD POSITION AND REITERATED SEVERAL TIMES THAT HE HAD NOT MEANT TO BE ALARMIST, BUT HE WAS AND IS CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LIMA 04949 192226Z

CONCERNED ABOUT BASIC ATTITUDE OF CO-OWNERS TOWARD NEEDED NEGOTIATING FLEXIBILITY AND THEIR UNDERLYING HOSTILITY TO PERUVIANS. HE SAID ONCE AGAIN THAT BARBER'S INITIAL NEGATIVE REACTION OVER CHASE FLAP CAUSES HIM GREAT CONCERN THAT CO-OWNERS MIGHT STILL DECIDE TO PULL OUT NOW AND HE ESTIMATES THERE IS STILL 50-50 CHANCE THIS COULD OCCUR, SHOULD ANY FURTHER PROBLEMS ARISE.

5. COMMENT: WISE IS CRYPTIC BUT KNOWLEDGEABLE ASARCO
OFFICIAL WHO HAS BEEN PRINCIPAL NEGOTIATOR FOR U.S. SIDE
DURING LAST SEVERAL YEARS ON CAUJONE FINANCIAL PACKAGE.
HE OBVIOUSLY FEARS ALL HIS WORK MAY BE UNDONE BY ILL-ADVISED
DECISION AT HOME OFFICE LEVEL AS WELL AS BY TRUCULENCE
ON PART OF MINEROPERU. UNDER PRESSURE JUNE 17, HE WANTED
REASSURANCE FROM HOME OFFICE THEY WOULD NOT DROP THE
PACKAGE. IT NOW APPEARS PRESENT CRISIS HAS PASSED, AL-
THOUGH GIVEN THE HISTROY OF THIS SAGA, IT DOUBTFUL IT WILL
BE THE LAST ONE. DEAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COPPER, AGREEMENTS, NEGOTIATIONS, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 JUN 1974
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: WorrelSW
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974LIMA04949
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: DG ALTERED
Executive Order: GS
Errors: N/A
Film Number: D740160-0573
From: LIMA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740632/aaaabbbpb.tel
Line Count: 125
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: STATE 129846, LIMA 4843
Review Action: RELEASED, APPROVED
Review Authority: WorrelSW
Review Comment: n/a
Review Content Flags:
Review Date: 02 JUL 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <02 JUL 2002 by kelleyw0>; APPROVED <20 MAR 2003 by WorrelSW>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SOUTHERN PERU COPPER CORP. (SPCC) CAUJONE NEGOTIATIONS
TAGS: EMIN, EIND, EFIN, PE, SPCC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005